

Decision

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of the Application of TOP NOTCH GROUP LLC dba SHUTTLE KIDS, for a Certificate of Public Convenience and Necessity, under § 1031, et. seq., of the California Public Utilities (PU) Code, to transport Children and their baggage, on an on-call, door-to-door basis, between Azusa, Arcadia, Covina, Duarte, Glendora, LaVerne, Monrovia, San Dimas, Walnut and West Covina in San Gabriel Valley (Los Angeles County); and to establish a Zone of Rate Freedom (ZORF) under § 454.2, et. Seq., of the PU Code.

Application 14-04-007
(Filed April 1, 2014)

D E C I S I O N G R A N T I N G A P P L I C A T I O N**Summary**

This decision grants the application of Top Notch Group LLC, a California limited liability company, doing business as Shuttle Kids, pursuant to Pub. Util. Code §§ 1031, et seq., for a Certificate of Public Convenience and Necessity to operate as a Passenger Stage Corporation, as defined in Pub. Util. Code § 226, and to establish a Zone of Rate Freedom, pursuant to Pub. Util. Code § 454.2.

Discussion

Top Notch Group LLC, a California limited liability company, doing business as Shuttle Kids, (Applicant), by its application and as supplemented by correspondence, requests authority to operate as an on-call Passenger Stage Corporation (PSC) to transport children to and from school and after-school

activities from various points in the cities of Azusa, Arcadia, Covina, Duarte, Glendora, LaVerne, Monrovia, San Dimas, Walnut and West Covina in San Gabriel Valley (Los Angeles County). Applicant's Chief Executive Officer is a parent and a long-term resident of the proposed service area. Applicant will operate the service with a fleet of two vehicles (one 9-passenger and one 5-passenger van). Applicant states all vehicles will be fully automatic, air-conditioned, fully insured, and meet or exceed all safety requirements. Applicant will add equipment as needed, and will employ the services of Transportation Charter Party (TCP) licensed subcontractors. All drivers will be registered with the California Department of Social Services' "Trustline Program". Applicant will perform the proposed on-call, door-to-door, shuttle service on a five (5) days per week basis, 260 days a year, excluding national and school holidays. Daily operations will start at 7:00 AM and end at 6:00 PM each day. A 24-hour reservation is required to guarantee service and to prevent any inconvenience to other passengers. The proposed one-way fare ranges from \$15 to \$40, and Applicant requests a Zone of Rate Freedom (ZORF) of \$5 above and below proposed fares of \$20 or less, and \$10 above and below proposed fares greater than \$20 but less than \$40. The minimum allowed fare is \$5.

Applicant states that it desires to offer parents with school age children a safe transportation to/from school and extracurricular activities in the San Gabriel Valley and will offer an alternative to single party charter, taxi, own-car or regularly scheduled services. Applicant states that there will be no adverse effect upon any other carrier, or upon the public resulting from the granting of this application.

To meet the financial requirements for filing a PSC application, applicant submitted a balance sheet as of March 7, 2014, indicating total assets of \$133,500, zero total liabilities, and net worth of \$133,500.

Decision (D.) 97-07-063 in Rulemaking 95-08-002 adopted rules applicable to carriers primarily engaged in the transportation of unaccompanied children¹ under the age of 18 years in vehicles that accommodate not more than ten persons. These rules, contained in Appendix A of D.97-07-063, are applicable to the requested service of Applicant, and are in addition to any other requirements that apply to all PSCs.

In accordance with the requirements of Appendix A of D.97-07-063, Applicant's owner and key personnel shall have their names entered into the TrustLine Registry² prior to issuance of the PSC certification. Under our rules, any future drivers or personnel coming into physical contact with infant and children passengers must be registered with the TrustLine Registry.

Notice of filing of the application appeared in the Commission's Daily Calendar on April 7, 2014. Applicant sent a notice of the application to the involved cities and public transit operators in the San Gabriel Valley. Additionally, in compliance with Ordering Paragraphs Nos. 7 and 8 of D.97-07-063, Applicant filed a Certificate of Service (Exhibit G) indicating it notified each pediatric health director and each public school superintendent in the service territory of the application. On April 23 and 24, 2014, Applicant had a notice published in the San Gabriel Valley Tribune, a newspaper of general circulation.

¹ The term "unaccompanied children" as used in D.97-07-063 includes transportation of an affiliated adult accompanying a child during, or incidental to, the transportation at issue.

² The TrustLine Registry is a screening program of caregivers administered by the state Department of Social Services and the nonprofit California Child Care Resource and Referral Network. Caregivers registered with the TrustLine have been fingerprinted and have cleared a criminal background check by the state Department of Justice.

In Resolution ALJ 176-3334, dated April 10, 2014, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protest has been received. Given this status, public hearing is not necessary, and it is not necessary to alter the preliminary determinations made in Resolution ALJ 176-3334.

Since the proposed service will reduce the number of vehicles on the public highways in the San Gabriel Valley, a California Environmental Quality Act review is not required because it can be seen with certainty that there is no possibility that the activity may have a significant effect on the environment.

Safety Considerations

In order to be authorized to commence operations as a PSC, the applicant must comply with the following requirements in order to protect public safety: Proof of insurance per General Order Series 101, compliance with the controlled substance and alcohol testing program pursuant to Pub. Util. Code §1032.1 and General Order Series 158, and enrollment in the pull notice system as required by Section 1808.1 of the Vehicle Code.

Assignment of Proceeding

Denise Y. Tyrrell is the assigned Examiner in this proceeding.

Waiver of Comment Period

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Section 311(g)(2) of the Public Utilities Code and Rule 14.6(c)(2) of the Commission's Rules of Practice and Procedure, the otherwise applicable 30-day period for public review and comment is waived.

Findings of Fact

1. Applicant requests authority to operate as an on-call PSC to transport children between various points in the cities of Azusa, Arcadia, Covina, Duarte, Glendora, LaVerne, Monrovia, San Dimas, Walnut and West Covina.
2. The rules and regulations for the transportation of children contained in Appendix A of D.97-07-063 are applicable to the service involved in this application.
3. Applicant has complied with the notice requirements prescribed in Ordering Paragraphs Nos. 7 and 8 of D.97-07-063.
4. Applicant requests authority to establish a ZORF of \$5 above and below proposed fares of \$20 or less, and \$10 above and below proposed fares greater than \$20 and less than \$40. The minimum allowed fare is \$5.
5. No protest to the application has been filed.
6. Proposed service will reduce the number of vehicles on the public highways in the San Gabriel Valley therefore it can be seen with certainty that there is no possibility that the activity may have a significant adverse effect on the environment.

Conclusions of Law

1. Public convenience and necessity has been demonstrated and the application should be granted.
2. A public hearing is not necessary.
3. The request for a ZORF should be granted because the ZORF is fair and reasonable.
4. Before Applicant changes any fares under the ZORF authorized below, Applicant should give this Commission at least ten days' notice. The tariff should show the high and low ends of the ZORF and the currently effective fare between each pair of service points.

5. Because the matter is uncontested, the decision should be effective immediately.

6. Only the amount paid to the State for operative rights may be used in rate fixing. The State may grant any number of rights and may cancel or modify these rights at any time.

O R D E R

IT IS ORDERED that:

1. A Certificate of Public Convenience and Necessity is granted to Top Notch Group LLC, a California limited liability company, doing business as Shuttle Kids, authorizing it to operate as a Passenger Stage Corporation, as defined in Pub. Util. Code § 226, to transport unaccompanied children under the age of 18 years and affiliated adults who are being transported in accordance with the rules and regulations contained in Appendix A of Decision 97-07-063, and their baggage, between the points and over the routes set forth in Appendix PSC-33834, attached to this decision, subject to the conditions contained in the following ordering paragraphs.

2. Top Notch Group LLC, a California limited liability company, doing business as Shuttle Kids, shall:

- a. File a written acceptance of this certificate within 30 days after this decision is effective.
- b. Establish the authorized service and file tariffs and timetables within 120 days after this decision is effective.
- c. File tariffs on or after the effective date of this decision. The tariff shall become effective ten days or more after the effective date of this decision, provided that the

Commission and the public are given not less than ten days' notice.

- d. Comply with Commission's General Orders Series 101 and 158, and the California Highway Patrol safety rules.
- e. Comply with the Commission's controlled substance and alcohol testing certification program pursuant to Pub. Util. Code § 1032.1 and General Order Series 158.
- f. Remit to the Commission the Transportation Reimbursement Fee required by Pub. Util. Code § 423 when notified by mail to do so. Failure to comply with this filing will result in suspension and/or revocation of authority.
- g. Comply with Pub. Util. Code §§ 460.7 and 1043, relating to the Workers' Compensation laws of this state.
- h. Enroll all drivers in the Pull Notice System as required by Vehicle Code § 1808.1.
- i. Comply with the "Adopted Rules for Infant and Children Common Carriers" contained in Appendix A of Decision 97-07-063.

3. Top Notch Group LLC, a California limited liability company, doing business as Shuttle Kids, its key personnel, and future drivers coming into physical contact with infant and children passengers shall have their names entered into the TrustLine Registry.

4. Top Notch Group LLC, a California limited liability company, doing business as Shuttle Kids, is authorized pursuant to Pub. Util. Code § 454.2 to establish a Zone of Rate Freedom of \$5 above and below proposed fares of \$20 or less, \$10 above and below proposed fares greater than \$20 and less than \$40. The minimum allowed fare is \$5.

5. Top Notch Group LLC, a California limited liability company, doing business as Shuttle Kids, shall file a Zone of Rate Freedom (ZORF) tariff with the Commission and the public in accordance with the application at least ten days

before the effective date of the tariff. The ZORF shall expire unless exercised within 120 days after the effective date of this decision.

6. Top Notch Group LLC, a California limited liability company, doing business as Shuttle Kids, may make changes within the Zone of Rate Freedom by filing amended tariffs on not less than ten days' notice to the Commission and to the public. The tariff shall include the authorized maximum and minimum fares and the fare to be charged between each pair of service points.

7. In addition to posting and filing tariffs, Top Notch Group LLC, a California limited liability company, doing business as Shuttle Kids, shall post notices explaining fare changes in the schools and school facilities it serves and in its passenger-carrying vehicles. Such notices shall be posted at least ten days before the effective date of the fare changes and shall remain posted for at least thirty days.

8. Top Notch Group LLC, a California limited liability company, doing business as Shuttle Kids (Applicant), is authorized to begin operations on the date that the Safety and Enforcement Division mails a notice to Applicant that its evidence of insurance and other documents required by Ordering Paragraph No. 2 have been filed with the Commission and that the California Highway Patrol has approved the use of Applicant's vehicles for service.

9. The Certificate of Public Convenience and Necessity to operate as Passenger State Corporation PSC-33834, granted herein, expires unless exercised within 120 days after the effective date of this decision.

10. The Application is granted as set forth above.

11. This proceeding is closed.

This decision is effective today.

Dated , at San Francisco, California.

A.14-04-007 SED/DYT/rff

CERTIFICATE
OF
PUBLIC CONVENIENCE AND NECESSITY
AS A PASSENGER STAGE CORPORATION
PSC-33834

Showing passenger stage operative rights, restrictions,
limitations, exceptions, and privileges.

All changes and amendments as authorized by
the Public Utilities Commission of the State of California
will be made as revised pages or added original pages.

[♦]Each vehicle shall contain this identifying symbol on its front and rear bumpers,
visible at a minimum of 100 feet in accordance with the rules contained in Appendix A
of Decision 97-07-063.

Issued under authority of Decision , dated , of the Public Utilities
Commission of the State of California in Application 14-04-007.

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♦Each vehicle shall contain this identifying symbol on its front and rear bumpers, visible at a minimum of 100 feet in accordance with the rules contained in Appendix A of Decision 97-07-063.

SECTION I. GENERAL AUTHORIZATIONS, RESTRICTIONS,
LIMITATIONS, AND SPECIFICATIONS.

Top Notch Group LLC, dba Shuttle Kids, a California limited liability company, by the certificate of public convenience and necessity granted by the decision noted in the foot of the margin, is authorized to operate as an on-call, door-to-door passenger stage corporation specializing in the transportation of children between the points described in Section II, over the routes described in Section III, subject, however, to the authority of this Commission to change or modify this authority at any time and subject to the following provisions:

- A. Unaccompanied children under 18 years of age and their baggage may be transported, provided that children under four years of age shall be accompanied by a parent, guardian, parent or guardian approved family member, or an adult supervisor. If the adult supervisor is affiliated with the carrier, that person shall have been approved in writing by the parent or guardian
- B. Adults affiliated with children passengers may be transported when the transportation is incidental to the transportation of a child. This includes adults being carried directly to pick up a child to be transported, or directly to return from accompanying a child.

[♦]Each vehicle shall contain this identifying symbol on its front and rear bumpers, visible at a minimum of 100 feet in accordance with the rules contained in Appendix A of Decision 97-07-063.

- C. When a route description is given in one direction, it applies to operation in either direction unless otherwise indicated.
- D. The term "on-call," as used, refers to service which is authorized to be rendered dependent on the demands of passengers. The tariffs shall show the conditions under which each authorized on-call service will be provided, and shall include the description of the boundary of each fare zone, except when a single fare is charged to all points within a single incorporated city.
- E. Service shall be provided only at the points named in Section II.

♦Each vehicle shall contain this identifying symbol on its front and rear bumpers, visible at a minimum of 100 feet in accordance with the rules contained in Appendix A of Decision 97-07-063.

SECTION II. SERVICE AREA.

Various points in the cities of Azusa, Arcadia, Covina, Duarte, Glendora, LaVerne, Monrovia, San Dimas, Walnut and West Covina.

SECTION III. ROUTE DESCRIPTION.

From any point in Section II, then over the most convenient streets and highways to any other point in Section II.

♦Each vehicle shall contain this identifying symbol on its front and rear bumpers, visible at a minimum of 100 feet in accordance with the rules contained in Appendix A of Decision 97-07-063.